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DEPARTMENT FOR ISN/NESS, NEA/ARP, NEA/PPA
DEPARTMENT OF ENERGY FOR NNSA and Office of Nuclear Energy

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SUBJECT: UAE CABINET APPROVES PLAN TO ASSESS DEVELOPMENT OF PEACEFUL
NUCLEAR ENERGY

REF: A) ABU DHABI 299, B) ABU DHABI 238, C) ABU DHABI 147, D) ABU
DHABI 45

11. (U) This cable contains suggested press points in para 6.

12. (SBU) Summary: On March 23, the UAE cabinet formally set out a policy memorandum on the potential development of nuclear energy. If the UAE develops nuclear power, it will formally renounce domestic reprocessing or enrichment capabilities in favor of a secure external fuel supply, according to the articulated policy. The UAE is committed to working with the international community and UAE officials tell us they have the blessing of UAE Foreign Minister Sheikh Abdullah bin Zayed Al-Nahyan to negotiate an MOU and a Section 123 Agreement with the U.S. The UAE is evaluating USG comments to its proposed changes to the draft MOU shared earlier and hopes to finalize it shortly as well as to have initial comments on the draft 123 text received during its peaceful nuclear cooperation discussions with the USG (ref a). End summary.

13. (U) On March 23, the UAE cabinet formally approved a memorandum on potential development of peaceful nuclear power. The UAE will establish a Nuclear Energy Implementation Office, as recommended by the IAEA, with an initial capital of approximately USD 100 million. The UAE cabinet's policy statement renounces any intention to develop a domestic enrichment and/or reprocessing capability in favor of long-term arrangements for the secure external supply of nuclear fuel. The UAEG also commits to ratifying various international instruments both with regard to evaluation of nuclear energy and with regard to any decision to establish a program. The policy statement also noted that the UAE "hopes to establish a new model via which non-nuclear states may explore and potentially deploy nuclear energy with the full support of the international community." The UAE will enlist assistance at both the government to government level and from the IAEA and other appropriate organizations. The statement was prominently carried in the UAE's March 24 English and Arabic language newspapers.

14. (SBU) The UAE policy statement is the executive summary of the UAE's "White Paper" as modified after international consultations. The UAE has added commitments to create effective mechanisms for public information and engagement as well as a commitment to ratify the IAEA Protocol to Amend the Vienna Convention on Civil Liability. It also modified the statement on participation in the IAEA-initiated multilateral fuel-assurance network to "supporting international efforts to develop a network of multi-lateral fuel assurances." Executive Affairs Authority Director of Economic Affairs David Scott told Econchief that the UAE was still finalizing the full policy plan for publication. It had completed the English language version but was "tweaking" the Arabic translation. He stated that UAE Foreign Minister Sheikh Abdullah bin Zayed Al-Nahyan had approved moving forward with negotiating international MOUs with various supplier countries and that he hoped to be able to finalize the draft U.S. - UAE MOU and send comments back on a draft Section

123 Nuclear Cooperation Agreement shortly.

15. (U) Begin Text of Policy Memorandum:

Policy of the United Arab Emirates on the Evaluation and Potential Development of Peaceful Nuclear Energy

Recent analysis of future domestic electricity demand and supply conducted by official UAE entities has concluded that peaceful nuclear power-generation represents an environmentally promising and commercially competitive option which could make a significant contribution to the UAE's economy and future energy security. Accordingly, the UAE intends to establish a Nuclear Energy Implementation Organization (NEPIO) as recommended by the IAEA, and is proceeding to evaluate the establishment of a peaceful nuclear program that would make the potential benefits of nuclear power available to the people of the UAE.

To make clear its intentions with regard to nuclear power, the government of the UAE has prepared and formally endorses the following policy statement as a reflection of its views on the potential establishment of a peaceful civilian nuclear energy program.

1. The UAE is committed to complete operational transparency.

2. The UAE is committed to pursuing the highest standards of non-proliferation.

3. The UAE is committed to the highest standards of safety and security.

4. The UAE will work directly with the IAEA and conform to its

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standards in evaluating and potentially developing a peaceful nuclear energy program.

5. The UAE hopes to develop any peaceful nuclear power capability in partnership with the governments and firms of responsible nations, as well as with the assistance of appropriate expert organizations.

6. The UAE will approach any domestic nuclear power program in a manner that best ensures long-term sustainability.

The policies and actions described in this document are of two kinds: those that will be implemented as part of the UAE's ongoing evaluation of nuclear energy and those which would be undertaken only in the event that the UAE opts to build nuclear facilities within its borders.

Through the adoption and implementation of these policies and actions, the government of the UAE hopes to establish a new model via which non-nuclear states may explore and potentially deploy nuclear energy with the full support of the international community.

Commitments related to the ongoing evaluation of nuclear energy

- Ratifying additional international non-proliferation instruments, including the IAEA Additional Protocol to the Safeguards Agreement and the IAEA Amendment to the Convention on Physical Protection.

- Adopting the NSG Export Guidelines.

- Enlisting assistance at the government-to-government level and requesting technical cooperation from the IAEA and other international bodies.

- Establishing a NEPIO with a capitalization of AED 375 million (roughly USD 100 million) to evaluate and potentially implement a peaceful nuclear energy program within the UAE.

- Constituting an international advisory board made up of recognized experts in various fields related to the nuclear energy sector.
- Creating effective mechanisms for public information and engagement.
- Ratifying international nuclear safety instruments, including the IAEA Convention on Nuclear Safety and IAEA Joint Convention on the Safety of Spent Fuel Management.
- Promoting the principles outlined in this document within the Gulf Cooperation Council-IAEA nuclear initiative.

Commitments to be undertaken in conjunction with any decision to move forward with the establishment of a peaceful domestic nuclear energy program

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- Renouncing any intention to develop a domestic enrichment and/or reprocessing capability in favor of long-term arrangements for the secure external supply of nuclear fuel.
 - Favoring and supporting the development of future technologies and designs that are resistant to proliferation.
 - Designing a detailed and phased implementation plan to translate stated UAE policy into practical arrangements.
 - Developing robust security infrastructure to accompany any nuclear power program from inception to commercial operation of facilities and beyond.
 - Enlisting assistance at the government-to-government level and requesting technical cooperation from the IAEA, WANO and other appropriate expert organizations.
 - Offering joint venture arrangements to foreign investors for the construction and operation of future nuclear power plants.
 - Deploying only advanced third-generation light water reactors (LWR) offering enhanced safety features.
 - Introducing a comprehensive national legal framework covering all aspects of nuclear law, including safety, security, non-proliferation, liability and regulatory and commercial aspects.

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- Establishing an independent, vigilant and effective regulatory authority empowered to enact the highest standard of regulation and safety controls across the sector.
- Ensuring that any operating organizations implement the highest standards of safety management.
- Ratifying international nuclear liability instruments, including the IAEA Vienna Convention on Civil Liability for Nuclear Damage, the IAEA Protocol to Amend the Vienna Convention on Civil Liability, and the IAEA Convention on Supplementary Compensation.
- Developing programs for training and human resource development and instituting appropriate funding mechanisms.
- Developing a comprehensive waste management system that reflects the highest standard of international practice and which does not include domestic reprocessing, and instituting mechanisms for the funding of waste and decommissioning liabilities.
- Supporting international efforts to develop a network of multi-lateral fuel assurances, possibly including a "last resort" fuel bank, which would provide insurance against nuclear fuel supply interruption for states with no indigenous enrichment facilities.

End Text

¶6. (U) Post proposes the following press guidance to indicate USG support for the UAE's activities.

- The U.S. strongly supports the United Arab Emirate's interest in a fully transparent nuclear power program.
- The U.S. had the opportunity to work with the UAE as it developed its policy and found the proposed approach to be carefully considered.
- We especially commend the UAE's renunciation of any intention to develop a domestic enrichment and/or reprocessing capability in favor of long-term arrangements for the secure external supply of nuclear fuel.
- We also commend the UAE for its support for international efforts to develop a network of multi-lateral fuel assurances, possibly including a "last resort" fuel bank to provide insurance against nuclear fuel supply interruption.
- We look forward to seeing the UAE's final detailed program and to cooperating with the UAE as it moves forward with evaluating and potentially developing a peaceful nuclear program.

Quinn